

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Fitchburg Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 3, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.25% and an adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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FITCHBURG CONTRIBUTORY RETIREMENT SYSTEM FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	% Change
2020	1,955,725	152,870,303	11,508,561	120,435	13,584,721	8.70%
2021	2,033,954	151,610,469	12,245,415	120,435	14,399,804	6.00%
2022	2,115,312	143,425,823	13,028,045	120,435	15,263,793	6.00%
2023	2,199,925	139,851,617	13,859,260	120,435	16,179,620	6.00%
2024	2,287,922	135,126,803	14,742,040	120,435	17,150,397	6.00%
2025	2,379,438	129,112,657	15,679,547	120,435	18,179,421	6.00%
2026	2,474,616	121,657,011	16,675,135	120,435	19,270,186	6.00%
2027	2,573,601	112,593,061	17,732,362	120,435	20,426,398	6.00%
2028	2,676,545	101,738,100	18,855,002	120,435	21,651,982	6.00%
2029	2,783,606	88,892,124	20,047,059	120,435	22,951,100	6.00%
2030	2,894,951	73,836,332	21,312,780	120,435	24,328,166	6.00%
2031	3,010,749	56,331,509	22,656,672	120,435	25,787,856	6.00%
2032	3,131,179	36,116,263	24,083,514	120,435	27,335,128	6.00%
2033	3,256,426	12,905,123	12,905,123	120,435	16,281,984	-40.44%
2034	3,386,683	-	-	120,435	3,507,118	-78.46%

Amortization of Unfunded Liability as of July 1, 2019

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2006	ERI2003 - City	284,348	0.00%	15	284,348	1
2020	Fresh Start	N/A	N/A	14	N/A	14

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. Type is the reason for the creation of the base. Original Amortization Amount is the annual amortization amount when the base was established. Percentage Increasing is the percentage that the Original Amortization Amount increases per year. Original # of Years is the number of years over which the base is being amortized. Current Amortization Amount is the amortization payment amount for this year. Years Remaining is the number of years left to amortize the base.

* Includes recognition of the following asset gains/(losses) in Fiscal 2022:

2022 \$ 6,043,197

** Contribution is set to be the amount resulting from a 8.7% increase on the prior year's contribution, with 6% increases thereafter. The contribution in FY2033 decreases by -40.44%.